



## State of Utah

GARY R. HERBERT  
*Governor*

GREG BELL  
*Lieutenant Governor*

## Department of Environmental Quality

Amanda Smith  
*Executive Director*

DIVISION OF DRINKING WATER  
Kenneth H. Bousfield, P.E.  
*Director*

**Drinking Water Board**  
Paul Hansen, P.E., *Chair*  
Ken Bassett, *Vice-Chair*  
Terry Beebe  
Russell Donoghue  
Daniel Fleming  
Tage Flint  
Heather Jackson  
Betty Naylor  
Amanda Smith  
David Stevens, Ph.D.  
James Webb  
Kenneth H. Bousfield, P.E.  
*Executive Secretary*

### MINUTES OF THE DRINKING WATER BOARD MEETING HELD ON NOVEMBER 9, 2012 IN SALT LAKE CITY, UTAH

#### Board Members Present

Paul Hansen, Chairman  
Ken Bassett, Vice Chairman  
Terry Beebe  
Tage Flint  
Betty Naylor  
David Smith  
James Webb

#### Board Members Excused

Russell Donoghue  
Danny Fleming  
Heather Jackson  
Amanda Smith

#### Staff

Ken Bousfield  
Michael Grange  
Ying-Ying Macauley  
Nathan Hall  
Gary Kobzeff  
Kim Dyches

#### Guests

Eric Johnson, Bond Counsel  
Scott Wilson, Duchesne County WID  
Jon Hardman, Mendon City  
Kirk Taylor, Mendon City  
Bill Bigelow, Mendon City  
Jay Lewder, Ogden City  
Justin Anderson, Ogden City  
Kenton Moffett, Ogden City  
Brian Gilbert, Rockland Ranch  
Gordon Bah, Rockland Ranch  
Arlene Lovato, Division of Solid & Hazardous Waste  
Don Verbica, Division of Solid & Hazardous Waste  
Dale Pierson, Rural Water Association of Utah  
Clyde Watkins, Rural Water Association of Utah  
Charles Jeff's, Rural Water Association of Utah  
Curtis Ludvigson, Rural Water Association of Utah

#### Staff Continued

Heather Bobb  
Jim Martin  
Sandy Pett  
Linda Matulich

#### ITEM NO. 1 – CALL TO ORDER

The Drinking Water Board convened at 1:00 p.m. in Salt Lake City, Utah with Chairman Hansen presiding.

#### ITEM NO. 2 – ROLL CALL

Chairman Hansen asked Ken Bousfield to call roll of the Drinking Water Board members.

The roll call showed that there were 6 members present at the time.

### ITEM NO. 3 – INTRODUCTIONS

Chairman Hansen welcomed the guests, and asked them to introduce themselves.

### ITEM NO. 4 – APPROVAL OF MINUTES

*July 13, 2012 and September 6, 2012*

Chairman Hansen stated a motion was in order to approve the Drinking Water Board minutes of July 13, 2012.

Betty Naylor made a correction to the May 11, 2012 minutes: on page 2 under “**Item No. 4 – Approval of the Minutes of May 11, 2012**”. Her name read as: “**Bette**”. Her name should read as: “**Betty**”.

Ken Bassett made a correction to the May 11, 2012 minutes at the top of page 7 under: d) Wooden Shoe Water Company. The second on the motion read as: “**Heather Jackson moved that the Drinking Water Board**”. The second on the motion should read as: “**Heather Jackson seconded**”.

**Betty Naylor moved the Drinking Water Board approve the: 1) May 11, 2012 Drinking Water Board minutes with the 2 corrections as stated above, and approve the 2) September 6, 2012 Drinking Water Board minutes as written.**

**Ken Bassett seconded.**

**CARRIED  
(Unanimous)**

### ITEM NO. 5 – FINANCIAL ASSISTANCE COMMITTEE REPORT

#### 1) Status Report

Michael Grange reported the State Loan Fund currently has a total of \$1,847,300 in available funds. Over the next 12 months the Fund should receive approximately \$3.5 million in sales tax revenue and an additional \$4.9 million in repayments. Between now and October 1, 2013 we expect to have approximately \$8.8 million in the State Fund.

Michael Grange mentioned the second page of the State Loan Fund report is a list of authorized projects that are progressing towards loan closing, a list of planning grants and loans, and closed loans that have been partially dispersed. This list shows the detail of where the money is going as shown on the first page and the third page of the State Loan Fund report. The State Loan Fund looks pretty good. Michael Grange reported that there should be sufficient funds available to perform the duties we were assigned.

We currently have about \$1.5 million in the Federal Revolving Loan Fund program to help fund projects.

Over the course of the next year, we expect about \$16.0 million in revenue to the Federal program, most of that from our Federal SRF Capitalization Grant. There is still some uncertainty on how much that will be. Our best estimate of the funding level is \$7.7 million. We may have a better idea of funding levels by the January 11, 2013 Drinking Water Board meeting. The second page of the Federal SRF report is a list of the projects that have been authorized and have not yet closed. Staff is working closely with those water systems to move them towards closing. There are a number of projects that are outstanding.

Since the May 2012 Drinking Water Board meeting, staff has closed the loans for four projects: a) American Fork City for \$1,000,000, b) Ogden City for \$4,000,000, c) Bicknell Town for \$690,000 and d) Veyo Town for \$1,200,000. These projects are now in construction and are moving forward.

Staff authorized a planning loan to Eureka for \$40,000 and to Tridell/LaPoint for \$25,000. Staff has been working diligently and has closed out a number of projects. Construction is complete and the files have been closed. The projects include Kane County Water Conservancy District – Swain’s Creek project, Kane County Water Conservancy District – Long Valley Estates project, Greenwich Waterworks, 200,000 gallon tank project, Springdale Town water system improvement project, Central Iron County – Park West project, Wales Town well drilling project, and the Magna Water Company treatment plan project.

## 2) Project Priority List

Michael Grange mentioned there are two projects being added to the Project Priority List; Mendon City scored 14.9 points and Ogden City scored 44.5 points.

Mendon City’s project consists of a new well, transmission lines, and new telemetry. Ogden City’s project consists of a new storage tank and Phase II of their water line replacement project that was recently closed.

The Financial Assistance Committee recommends that the Drinking Water Board approve the Project Priority List.

**Tagge Flint moved that the Drinking Water Board approve the Project Priority List.**

**David Stevens seconded.**

**CARRIED  
(Unanimous)**

### 3) SRF Applications

#### Federal Funds

##### a. Rockland Ranch – Gary Kobzeff

Gary Kobzeff reported that Rockland Ranch is requesting a construction loan in the amount of \$206,000, to construct a new 6-inch diameter well. Currently, the applicant does not have an approved source of water. The applicant would also like to roll an \$8,500 planning loan into the loan amount bringing the total requested to \$214,500.

Gary Kobzeff mentioned the Financial Assistance Committee recommends the Drinking Water Board authorize a \$214,000 construction loan to Rockland Ranch with 0% interest per annum for 30 years, and \$64,500 in principal forgiveness with the condition that they resolve all issues on their compliance report.

Gordon Beh, Assistant Manager, and Brian Gilbert, representing Rockland Ranch, were available to answer any questions from the Drinking Water Board.

Discussion followed.

**Heather Jackson moved the Drinking Water Board authorize a \$214,500 construction loan to Rockland Ranch with 0% interest per annum for 30 years, and \$64,500 in the principal forgiveness with the condition that they resolve all issues on their compliance.**

**Betty Naylor seconded.**

**CARRIED  
(Unanimous)**

##### b. Mendon City – Nathan Hall

Nathan Hall reported that Mendon City is requesting an additional \$667,000 in financial assistance to finish construction of the Booster Station Well, construct new waterlines, install a telemetry system and replace the Cobblestone Well pumping system. Mendon has requested to roll the previous \$405,000 loan into a new loan and be given \$266,595 in principal forgiveness (the amount spent on the dry well).

Nathan Hall reviewed the 3 options before the Drinking Water Board. The third option is the better choice of the three.

Kirk Taylor, Jon Hardman and Bill Bigelow, representing Mendon City, were available to answer any questions from the Drinking Water Board.

Discussion followed.

**Betty Naylor moved the Drinking Water Board authorize a \$1,072,000 construction loan at 3.23% interest (weighted average between \$405,000 at 4% and \$667,000 at 3.23%) for 20 years to Mendon, City which includes rolling the previously approved \$405,000 loan into the new loan. Mendon City must resolve any and all issues on their compliance report.**

**Jim Webb seconded.**

**CARRIED  
(Unanimous)**

c. Ogden City – Gary Kobzeff

Justin Anderson, Kenton Moffett, and Jay Lowder, representing Ogden City, were available to address the Drinking Water Board and answer any questions from the Drinking Water Board members.

Gary Kobzeff reported that Ogden City is requesting a construction loan in the amount of \$5,000,000 to fund phase two of the Ogden Canyon Pipe Line Repair Project. Phase 2 will encompass the construction of a 500,000 gallon storage tank and the replacement of the remainder of the approximately 4.2 miles of 24-inch diameter steel pipeline.

Ogden City has a local MAGI of \$31,409, which is approximately 85% of the State's MAGI greater than the 80% maximum limit necessary to qualify for principal forgiveness. Their current water bill is approximately \$44.20 per month, 1.61% of local MGI. The town's projected water bill after construction would be approximately \$51.84 per month or 1.98% of the local MAGI greater than the 1.75% minimum limit necessary to qualify for principal forgiveness. Therefore, Ogden City does qualify for principal forgiveness. A 20-year loan in the amount of \$5,000,000 would allow Ogden City to maintain a water bill of \$52.07 a month at 1.99% of the local MAGI.

**Tage Flint moved the Drinking Water Board authorize a \$5,000,000 construction loan to Ogden City with a 2.39% interest/fee per annum, for 20 years, with the condition that they resolve all issues on their compliance report. A 1.0% loan origination fee of \$50,000 will be assessed which can be either absorbed by the authorized loan amount or paid by the water system be authorized loan amount or paid by the water system, out of the system funds at loan closing.**

**David Stevens seconded.**

**CARRIED  
(Unanimous)**

d. Duchesne County WID – Gary Kobzeff

Scott Wilson, representing Duchesne County WID, was available address the Drinking Water Board, and to be able to answer any questions the Drinking Water Board members asked.

Eric Johnson, Bond Counsel for Duchesne County WID, addressed the Drinking Water Board and answered any questions on Duchesne County WID

Gary Kobzeff reported Duchesne County Water Conservancy District received a \$4,000,000 loan on March 10, 2010 at 2.47% for 30 years with \$1,600,000 in principal forgiveness to construct 28 miles of 20-inch pipeline from the Duchesne Valley WTP (near Starvation Reservoir) eastward along Highway 40 to Ballard, providing drinking water to the residents of the Johnson WID, Myton, Roosevelt, Cedarview/Montwell, and Ballard as well as industrial water to Northfield.

The Drinking Water Board authorized an extension on the January 18, 2012 original loan. A considerable amount of time had been expended to obtain right-of-way easements from then Department of Transportation and the Tribal lands.

On August 29, 2012, Scott Wilson, of Duchesne County Water Conservation District (DCWCD), met with Division staff to request a further extension to the project. Obtaining right-of-way easements from Tribal Lands has become uncertain, and DCWCD will pursue an alternative alignment not affected by Tribal Lands.

A lengthy discussion on easements followed.

**Paul Hansen moved the Drinking Water Board approve extending Duchesne County Water Conservancy Districts' current funding authorization until the January 11, 2013 Board Meeting, at which time the Drinking Water Board will be able to look at all of the factors that came up this morning, including the availability of funds for principle forgiveness.**

**Tage Flint seconded.**

**CARRIED  
(Unanimous)**

e. Shiloah Wells – Deauthorization – Michael Grange

Michael Grange reported the Drinking Water Board authorized \$25,000 in financial assistance to the Shiloah Wells Water Company for water system improvements at the May 12, 2010 Drinking Water Board meeting. Since that time, the applicant has not made efforts to procure the funding and has failed to respond to repeated communication attempts.

The latest attempt at communication with the applicant was a letter dated September 7, 2012 in which staff requested the Applicant provide evidence of significant progress toward obligating the financial assistance. The deadline for submitting documentation was set for October 19, 2012. The Applicant did not respond to this written request for information.

The appointed deadline was reached after the Financial Assistance Committee conference call that was held on October 3, 2023. Therefore, this proposed action was not presented to the Committee for review.

**Terry Beebe moved the Drinking Water Board deauthorize the \$25,000 financial assistance to the Shiloah Wells Water Company.**

**Betty Naylor seconded.**

**CARRIED  
(Unanimous)**

f. Other Business

No other business.

**ITEM NO. 12 – CHAIRMAN ‘S REPORT**

**Chairman Hansen moved the Drinking Water Board approve moving Agenda Item No. 12 up to this part of the Drinking Water Board meeting.**

**Terry Beebe seconded.**

**CARRIED  
(Unanimous)**

Chairman Hansen stated that he would like to honor 3 staff members for their accomplishments. Chairman Hansen explained that the Rural Water Association of Utah administers a program developed by the National Rural Water Association called the Water University.

Chairman Hansen recognized: Ying-Ying Macauley, Kim Dyches and Michael Grange for completing the training and successfully passing the final exam. The three employees were invited to come up front to receive a plaque in recognition of their accomplishments.

**ITEM NO. 6 – RURAL WATER ASSOCIATION OF UTAH’S FUNDING FOR THE  
DEVELOPMENT SPECIALIST – Ken Bousfield**

Chairman Hansen explained that the Drinking Water Board has funded a Water Development Specialist with the Rural Water Association of Utah (RWAU) for the past 3 years. Chairman Hansen mentioned that an updated copy of the contract between the Division and the RWAU has been placed on the table for each Board member.

Ken Bousfield explained that a little over three years ago, the Legislature enabled an option for the Drinking Water Board and the Water Quality Board to spend some of the state appropriated SRF monies for special projects that were in alignment with the goals of the SRF program. Ken went on to explain that the Board noticed three years ago that a significant number of applicants receiving financial assistance were building projects to replace inadequate facilities

that were built by developers of small unregulated water systems. In response, the Board, at the time, felt that county governments should be informed on the issues and invited to partner with the Division to avoid the creation of such future basket cases. To address this problem, the Board decided to seek the help of RWAU to work with local officials on this issue.

Ken Bousfield reviewed the contract between Rural Water Association of Utah and the Division noting minor changes from the previous year's contract.

Dale Pierson reviewed what the Rural Water Association of Utah's staff does in training local officials in Utah.

Ken Bassett mentioned how valuable and effective this program is in the rural areas of the state of Utah.

Discussion followed.

Chairman Hansen called for a motion to approve the Rural Water Association of Utah's contract for 2013

**David Stevens moved that the Drinking Water Board approve the Rural Water Association of Utah's Capacity Development Contract with the Division of Drinking Water for the coming year in the amount of \$124,757.00.**

**Ken Bassett seconded.**

**CARRIED  
Unanimous)**

ITEM NO. 7 – RURAL WATER ASSOCIATION'S REPORT – Dale Pierson

Dale Pierson mentioned that the certification that Ying-Ying Macauley, Kim Dyches and Michael Grange received today is for a new program that will be used in teaching the water managers in Utah. The program covers such topics as: Finances, Sustainability, Management and Capacity Development, The national program was developed in Texas.

Dale Pierson mentioned that Utah is the national leader, to date, in the number of certified individuals under this program.

In a separate effort, Dale Pierson reported on a National Rural Water Association Proclamation recommending that water system operators be identified as "Operations Specialists" in recognition of their expertise and value to society.

Dale Pierson reviewed some additional handouts given to Board members on what the Rural Water Association of Utah is doing with training and upgrading water system personnel.

Clyde Watkins, Chuck Jeffs and Curtis Ludvigson updated the Drinking Water Board on their activities since the last Drinking Water Board meeting.



ITEM NO. 8 – OPERATOR CERTIFICATION MEMBERSHIP – Kim Dyches

Kim Dyches asked the Drinking Water Board to approve the extension of the Operator Certification Commission member's term of office for David Stevens and Bart Simons from January 1, 2013 to December 31, 2015.

Chairman Hansen stated a motion was in order to approve the extension of Commission membership for David Stevens and Bart Simons.

**Betty Naylor moved to approve David Stevens and Bart Simons to a new term from January 1, 2013 to December 31, 2014.**

**Terry Beebe seconded.**

**CARRIED  
(Unanimous)**

ITEM NO. 9 – CROSS CONNECTION CONTROL COMMISSION MEMBERSHIP  
RENEWALS – Kim Dyches

Kim Dyches asked the Drinking Water Board to approve the extension of service on the Cross Connection Control Commission for Danny Fleming, Dan Smith, Gary Jenkins, and Terry Smith from January 1, 2012 to December 31, 2014.

**Ken Bassett moved to approve Danny Fleming, Dan Smith, Gary Jenkins, and Terry Smith to a new term from January 1, 2012 to December 31, 2014.**

**Tage Flint seconded.**

**CARRIED  
(Unanimous)**

ITEM NO. 10 – RULES REGARDING SEWER LINES IN SOURCE PROTECTION  
ZONES

1. Rule Adoption of Revisions to R309-600-13(3) – Jim Martin

Jim Martin reviewed the some of the comments made by the public during the public comment period and provided backup for the comments made.

Some of the comments made were:

- a. The rules made will place a burden on the water systems.
- b. The five feet of suitable soils was essentially protective and essentially act somewhat like a septic system and degrade the materials before they migrate downward.

- c. There will be no breakdown of the materials, because it is below the actual sewer itself.
- d. Someone has to ask for an exception to the Rule.

Jim reviewed how staff reviews the rules and what steps are taken to approve the rules or disapprove the rules.

The rules are to protect the customers.

Discussion followed.

**Tage Flint moved the Drinking Water Board adopt the Rule revisions to R309-60013(3) and authorize staff to make the rule change effective on November 15, 2012.**

**Jim Webb seconded.**

**CARRIED  
(Unanimous)**

- e. Change to Proposed Rule Revision of R309-515-6(4)

Bob Hart mentioned that once the rule is published in the Utah Bulletin you can't retract the Rule to make any changes, whether they are typo changes or not. The process is you file a change to a Proposed Rule you have to go through another 30 review period.

Bob Hart reviewed some minor changes in the rule.

Jim Martin mentioned the reason for the rules is to help prevent and protect our sources from future contamination.

**Tage Flint moved the Drinking Water Board adopt the Rule revisions to R309-515-6(4), and authorize staff to make the rule change effective on November 15, 2012.**

**Jim Webb seconded.**

**CARRIED  
(Unanimous)**

#### ITEM NO. 11 – 2013 DRINKING WATER BOARD SCHEDULE

Chairman Hansen stated a motion was in order to approve the 2013 Schedule for the Drinking Water Board meetings.

The Drinking Water Board meeting for August will be held on August 28, 2013.

**David Stevens moved the Drinking Water Board approve the 2013 Drinking Water Board schedule with one change; that the Drinking Water Board meeting in August will be held on: August 28, 2013.**

**The SRF Committee meetings will be adjusted accordingly to be consistent with the Drinking Water Board meeting dates.**

**Jim Webb seconded.**

**CARRIED  
(Unanimous)**

ITEM NO. 12 – CHAIRMAN’S REPORT

This agenda item was reported on earlier.

ITEM NO. 13 – DIRECTORS REPORT

a. Cedar Hills Giardina Outbreak

Ken Bousfield reported on a water borne outbreak in Cedar Hills. The Division was involved in helping Cedar Hills; along with the Local Health Department and the Rural Water Association of Utah.

b. ASDWA Conference

Ken Bousfield attended the Annual Association of State Drinking Water Administrators (ASDWA) Conference and reported on information from the conference.

ITEM NO. 14 – NEXT BOARD MEETING

Date: January 11, 2013  
Time of Board Meeting: 1:00 p.m.  
Location: 195 North 1950 West  
DEQ Board Room # 1015  
Salt Lake City, Utah 84116  
Phone: (801) 536-4200

ITEM NO. 15 – OTHER

No other business.

ITEM NO. 16 – ADJOURN

Chairman Hansen stated a motion was in order to adjourn the Drinking Water Board meeting.

**Terry Beebe moved to adjourn the Drinking Water Board meeting.**

**David Stevens seconded.**

**CARRIED  
(Unanimous)**

Linda Matulich  
Recording Secretary